



## **U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS**

**EMBARGOED UNTIL 9:00 A.M. January 31, 2007**

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### **ASSISTANT SECRETARY FOR FINANCIAL MARKETS ANTHONY W. RYAN FEBRUARY 2007 QUARTERLY REFUNDING STATEMENT**

We are offering \$38.0 billion of Treasury securities to refund approximately \$35.1 billion of privately held securities maturing on February 15 and to raise approximately \$2.9 billion. The securities are:

- A new 3-year note in the amount of \$16.0 billion, maturing February 15, 2010;
- A new 10-year note in the amount of \$13.0 billion, maturing February 15, 2017;
- A new 30-year bond in the amount of \$9.0 billion, maturing February 15, 2037.

These securities will be auctioned on a yield basis at 1:00 PM EST on Tuesday, February 6; Wednesday, February 7; and Thursday, February 8, respectively. All of these auctions will settle on Thursday, February 15. The balance of our financing requirements will be met with weekly bills, monthly 2-year and 5-year notes, the March 10-year note reopening and the April 5-year TIPS offering and the 10-year TIPS reopening. Treasury also is likely to issue cash management bills in March and April. Additional cash management bills may be required to manage volatility associated with tax refunds.

#### **New Treasury Auction System**

Treasury will soon begin testing its new auction system, which is designed to update existing technology, automate manual processes, and continue to maintain the speed and reliability of the auction process. We expect testing to continue until summer 2007. Prior to implementation of the new system, Treasury will be asking dealers and investors to participate in mock auctions and functionality testing.

#### **Debt Issuance Considerations**

In response to ongoing strength in receipts, Treasury has made recent cuts in nominal and TIPS coupon issuance. Continued strength in the fiscal outlook may necessitate additional adjustments to our marketable borrowing. Treasury may need to reduce auction sizes further or institute changes in the frequency or composition of the current auction cycle.

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Accordingly, Treasury is considering options related to the 3-year note, including changing the frequency of issuance or eliminating the issue. We will make any announcement regarding our decision on the 3-year note at the May refunding.

Regardless of our decision on the future of the 3-year note, Treasury confirms that it will auction a 3-year note at the May 2007 quarterly refunding.

Please send comments and suggestions on these subjects or others relating to Treasury debt management to [debt.management@do.treas.gov](mailto:debt.management@do.treas.gov).

The next quarterly refunding announcement will take place on Wednesday, May 2, 2007.